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**UTAH STATE
INSURANCE DEPT.**

**BEFORE THE INSURANCE COMMISSIONER
OF THE STATE OF UTAH**

COMPLAINANT:

UTAH INSURANCE DEPARTMENT

RESPONDENT:

PRECISION TITLE INSURANCE AGENCY
OF UTAH, INC.

829 South 220 East
Orem, UT 84058
License No. 5357

**STIPULATION
&
ORDER**

Docket No. 2006-172 PC

Enf. Case No. 1938

STIPULATION

1. Respondent, Precision Title Insurance Agency of Utah, Inc., is a licensed insurance agent in the State of Utah, holding License No. 5357.
2. Respondent stipulates with the Complainant, Utah Insurance Department, as follows:
 - a. If a hearing were held, witnesses called by the Complainant could offer and introduce evidence that would support the Findings of Fact herein;
 - b. Respondent neither admits nor denies the Findings of Fact and Conclusions made therefrom;

c. Respondent stipulates to the summary entry of the Order herein which shall be in lieu of other administrative proceedings by Complainant in this matter; and

d. Respondent and Complainant have negotiated the terms of the Order entered herein and Respondent agrees to its entry and further agrees to be bound by all its terms.

3. Respondent is aware of its right to a hearing at which it may be represented by counsel, present evidence and cross-examine witnesses. Respondent has irrevocably waived its right to such hearing and to any appeal related thereto.

4. Respondent admits the jurisdiction of the State of Utah Insurance Commissioner as to all matters herein.

5. Respondent is acting herein free from any duress or coercion of any kind or nature, having been advised fully as to its rights set forth herein.

6. Respondent acknowledges that the issuance of this Order by the Commissioner is solely for the purpose of disposition of the matter entitled herein.

DATED this 7 day of December, 2006.



PRECISION TITLE INSURANCE AGENCY
OF UTAH, INC.

Brett Garrett, President



UTAH INSURANCE DEPARTMENT

M. Gale Lenson, Assistant Attorney General

Based upon the foregoing Stipulation and information in the file, the Presiding Officer makes the following Findings of Fact:

FINDINGS OF FACT

1. During the period of about 2004 through the present, an employee of the Respondent has converted funds totaling in excess of \$100,000.00 held in trust by the Respondent to her own purposes.
2. During about May 2004, Respondent removed the funds held in its statutory 1% reserve account and used them as operating funds. Respondent has not had a 1% reserve account since that time.
3. In the annual reports filed with the department for the years 2004 and 2005, Respondent reported that it had a fully funded 1% reserve account, when such was not the case.
4. As of the date of this Order, Respondent is insolvent, in that it does not have sufficient funds to pay its obligations as they become due.
5. As of November 24, 2006, Respondent no longer has a title insurance underwriter to issue title insurance policies.

Based upon the foregoing Stipulation and Findings of Fact, the Presiding Officer enters the following Conclusions of Law:

CONCLUSIONS OF LAW

1. Pursuant to Utah Code Annotated § 31A-23a-111(5)(c) and (d), a natural person who is a licensee and named on the license of an agency is deemed to be a holder of the agency license, and if a natural person named on the agency license commits an act that is a ground for revoking a natural person's license, the commissioner may revoke the agency license.

2. In converting funds held in trust, the Respondent violated Utah Code Annotated §§ 31A-23a-406 and -409.

3. In failing to hold 1% of its title premium for the most recent 10 years in a reserve account, the Respondent violated Utah Code Annotated § 31A-23a-204(3).

4. In stating in its annual reports to the department that it had fully funded its 1% reserve account when such was not the case, Respondent violated Utah Code Annotated § 31A-2-202(6).

5. In not having a title insurance underwriter to issue title policies, Respondent is unqualified to engage in the title insurance business under Utah Code Annotated § 31A-23a-406.

6. Respondent's title insurance agency license should be revoked pursuant to Utah Code Annotated § 31A-23a-111(5)(b)(i), unqualified to hold a license; -111(5)(b)(ii)(A), violated an insurance statute; -111(5)(b)(iii), is insolvent; -111(5)(b)(xii), has misappropriated or converted funds received in the conduct of insurance business; -111(5)(b)(xvi)(B), in the conduct of business demonstrated incompetence, untrustworthiness, or financial irresponsibility; -111(5)(b)(xxiv), has engaged in methods or practices that endanger the legitimate interests of its customers and the public.

Based upon the foregoing Stipulation, Findings of Fact and Conclusions of Law, the Presiding Officer herewith enters the following Order:

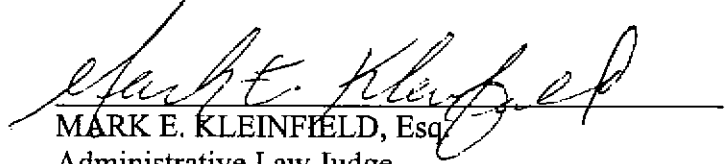
ORDER

IT IS RECOMMENDED THAT THE TITLE AND ESCROW COMMISSION IMPOSE THE FOLLOWING PENALTY:

1. Respondent's title insurance agency license be revoked forthwith.

DATED this 20th day of December, 2006.

D. KENT MICHIE
INSURANCE COMMISSIONER


MARK E. KLEINFELD, Esq.

Administrative Law Judge
Utah Insurance Department
State Office Building, Room 3110
Salt Lake City, Utah 84114
Telephone (801) 538-3800

IMPOSITION OF PENALTY

By a vote of 3 to 3, ^{telephonic Conference call} taken in ~~open~~ meeting on this date, the Title and Escrow

Commission hereby imposes the penalties recommended in the Order herein above.

Dated this 20th day of December, 2006.


Darwin Johnson
Title and Escrow Commission

NOTIFICATION

Respondent is hereby notified that failure to abide by the terms of this Order may subject you to further penalties, including additional forfeitures of up to \$5,000.00 per violation and the suspension or revocation of your license, and the filing of an action to enforce this Order in the District Court, which may impose penalties of up to \$10,000.00 per day for continued violation.

You are further notified that other jurisdictions in which you may be licensed may require that you report this action to them.

CONCURRENCE WITH COMMISSION IMPOSED PENALTY

On behalf of the Commissioner of the Utah Insurance Department I hereby concur with the penalty imposed by the Utah Title Commission in the above matter.

DATED this 21st day of December, 2006.

D. KENT MICHIE
INSURANCE COMMISSIONER


MARK E. KLEINFELD
Administrative Law Judge

CERTIFICATE OF MAILING

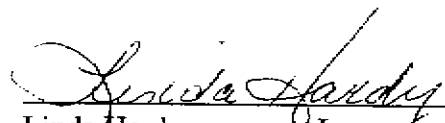
I do hereby certify that on this date I mailed, by regular mail, postage prepaid, a true and correct copy of the attached:

**STIPULATION
&
ORDER**

To the following:

**PRECISION TITLE INSURANCE AGENCY OF UTAH, INC.
829 SOUTH 220 EAST
OREM, UT 84058**

DATED this 27th day of December, 2006


Linda Hardy Insurance Technician
Utah Department of Insurance
State Office Building, Room 3110
Salt Lake City, UT 84114-6901